

**SANDIA CORPORATION  
SF 6432-CN (04-08)  
Section II**

**STANDARD TERMS AND CONDITIONS FOR FIRM-FIXED PRICE COMMERCIAL  
CONSTRUCTION CONTRACTS**

**THE FOLLOWING CLAUSES APPLY TO THIS CONTRACT AS INDICATED UNLESS SPECIFICALLY DELETED, OR EXCEPT TO THE EXTENT THEY ARE SPECIFICALLY SUPPLEMENTED OR AMENDED IN WRITING IN THE COVER PAGE OR SECTION I.**

**CN01 - ACCEPTANCE OF TERMS AND CONDITIONS (Ts&Cs)**

Contractor, by signing this contract and/or delivering items or services ordered under this contract, agrees to comply with all the Ts&Cs and all specifications and other documents that this contract incorporated by reference or attachment. Sandia hereby objects to any Ts&Cs contained in any acknowledgment of this contract that are different from or in addition to those mentioned in this document. Failure of Sandia or Contractor to enforce any of the provisions of this contract shall not be construed as evidence to interpret the requirements of this contract, nor a waiver of any requirement, nor of the right of Sandia or Contractor to enforce each and every provision. All rights and obligations shall survive final performance of this contract.

**CN02 - APPLICABLE LAW**

The rights and obligations of the parties hereto shall be governed by this contract and construed in accordance with the law of the state of delivery, except for Federal Acquisition Regulation (FAR) and FAR supplement clauses which shall be in accordance with federal law. The parties agree to jurisdiction in the Federal District Court, with venue in the district closest to the delivery point of the items or services giving rise to the claim. In the event the requirements for jurisdiction in Federal District Court are not present, such litigation shall be brought in the State Court closest to the delivery point of the items or services giving rise to the claim.

**CN03 - ASSIGNMENT**

Contractor shall not assign rights or obligations to third parties without the prior written consent of Sandia. However, the Contractor may assign rights to be paid amounts due or to become due if Sandia is promptly furnished an executed Assignment of Payments form. Administration of this contract may be transferred from Sandia to the U.S. Department of Energy/National Nuclear Security Administration (DOE/NNSA) or its designee, and in case of such transfer and notice thereof to the Contractor, Sandia shall have no further responsibilities hereunder.

**CN04 AUTHORIZED DISTRIBUTORS**

Unless specifically authorized in this contract, in writing, the contractor shall only furnish items/components provided by authorized distributors and not independent distributors.

Any item/components furnished from an independent distributor shall meet all OEM specifications and industry standards.

#### **CN05 – BANKRUPTCY**

If the Contractor enters into any proceeding relating to bankruptcy, it shall give written notice via certified mail to the Sandia Contracting Representative (SCR) responsible for this contract within five (5) days of initiation of the proceedings. The notification shall include the date on which the proceeding was filed, the identity and location of the court and a listing of the agreement numbers for which final payment has not been made.

#### **CN06 - BREACH OF CONTRACT**

Any Contractor personnel who personally violate any requirements of this contract may be denied access to any government site and Contractor may be terminated for default of this contract. Should one or more other contracts, now or hereafter, exist between Sandia and the Contractor or with any affiliated corporation or company of the Contractor, then a breach by the Contractor of any contract, may, at the option of Sandia, be considered a breach of all contracts; and in that event Sandia may terminate any or all of the contracts, or may withhold monies due or to become due on any such contracts, and apply the same toward payment of any damages suffered on that or any other existing contract between Sandia and the Contractor.

#### **CN07 - CANCELLATION OR TERMINATION FOR CONVENIENCE**

**(a)** Sandia may cancel this contract, in whole or in part, if the Contractor fails to comply with any of the terms of this contract, or fails to provide adequate assurance of future performance. In that event, Sandia shall not be liable for any amount for items and/or services not yet accepted by Sandia. **(b)** Sandia may terminate for the convenience of Sandia or the government this contract, in whole or in part, for any items and/or services not yet accepted by Sandia. In that event Sandia shall be liable for the purchase price of items and/or services already completed or identified to this contract but not yet accepted by Sandia. **(c)** Contractor shall not be liable for delays in performance occasioned by causes beyond Contractor's reasonable control and without Contractor's fault or negligence. **(d)** The rights and remedies of Sandia in this clause are in addition to any other rights and remedies provided by law or under this contract.

#### **CN08 – CHANGES**

The SCR may at any time, by written notice, make changes within the general scope of this contract in any one or more of the following: (1) description of the services to be performed; (2) place of performance; and (3) the amount of services to be furnished. If any such change causes a difference in the cost of, or the time required for performance, an equitable adjustment shall be made in the price and/or delivery schedule and other affected provisions. Such adjustment shall be made by written revision to this contract signed by both parties. Any claim for adjustment by Contractor must be made within twenty (20) days from the date of receipt of Sandia's change notice, although Sandia in its sole discretion may receive and act upon any claim for adjustment at any time before final payment. Nothing in this clause, including any

disagreement with Sandia about the equitable adjustment, shall excuse Contractor from proceeding with the contract as changed.

#### **CN09 - COMPLIANCE WITH LAWS**

Contractor shall procure all necessary permits or licenses and abide by all applicable foreign, federal, state and local laws, ordinances, or regulations, in which any work under this contract is performed which are in any way applicable to the Statement of Work (SOW) of this contract.

#### **CN10 – DEFINITIONS**

The following terms shall have the meanings set forth below for all purposes of this contract.

**(a) AUTHORIZED DISTRIBUTORS** – distributors who have contractual agreements with manufacturer to represent them in the sales of their parts

**(b) CONTRACT** means Purchase Order, Contract, Price Agreement, Subcontract, Ordering Agreement, or modifications thereof.

**(c) CONTRACTOR** means the person or organization that has entered into this contract to sell something to Sandia.

**(d) CONTRACTOR-DIRECTED WORK** means work under a contract for which the Contractor is accountable for the outcome of the work performed and routinely provides work direction to the Contractor's work force.

**(e) GOVERNMENT** means the United States of America and includes the U.S. Department of Energy/National Nuclear Security Administration (DOE/NNSA) or any duly authorized representative thereof.

**(f) Independent distributors (often called brokers)** – distributors who buy and sell parts (note: they have no contractual agreement with manufacturers and get parts where they can)

**(g) ITEM** means commercial items, commercial services, and commercial components as defined in FAR 52.202-1.

**(h) SANDIA** means Sandia Corporation, the management and operating Contractor for the Sandia National Laboratories under Contract No. DE-ACO4-94AL-85000 with the U.S. Department of Energy/National Nuclear Security Administration (DOE/NNSA).

**(i) SANDIA-DIRECTED WORK** means work under a contract for which Sandia retains accountability for the outcome of the work performed and routinely provides work direction to the Contractor's work force.

**(j) SCR** means Sandia Contracting Representative, the only person authorized to execute and/or administer this contract for Sandia.

**(k) SDR** means Sandia Delegated Representative. The SCR may delegate personnel as authorized representatives for such purposes as and to the extent specified in the delegation. Such delegation shall be in writing to the Contractor, and shall designate by name the personnel so delegated as authorized representatives. The SDR shall exercise no supervision over the Contractor's employees. THE SDR'S AUTHORITY IS LIMITED SOLELY TO THE AUTHORITY ENUMERATED IN SUCH WRITTEN DELEGATION. THE SDR HAS NO AUTHORITY TO CHANGE ANY TERM OR CONDITION CONTAINED IN THIS CONTRACT.

**(I) SUBCONTRACT** means any lower tier contract under this contract.

#### **CN11 - DIFFERING SITE CONDITIONS**

The Contractor shall promptly, and before the conditions are disturbed, give a written notice to the SCR of: (1) subsurface or latent physical conditions at the site which differ materially from those indicated in this contract; or (2) unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in the contract.

The SCR shall investigate the site conditions promptly after receiving the notice. If the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, an equitable adjustment shall be made under this clause and the contract modified in writing accordingly. No request by the Contractor for an equitable adjustment to the contract under this clause shall be allowed, unless the Contractor has given the written notice required; provided, that the time prescribed above for giving written notice may be extended by the SCR. No request by the Contractor for an equitable adjustment to the contract for different site conditions shall be allowed if made after final payment under this contract.

#### **CN12 – DISPUTES**

Any claim of Contractor for any sum of money or other remedial action shall be handled in accordance with the provisions of this clause prior to commencing any form of litigation. A claim by the Contractor shall be made in writing and submitted to the SCR within six (6) years after accrual of the claim to the Contracting Officer for a written decision or within one (1) year after the completion of the contract, whichever comes first. The Contractor shall provide the certification specified below when submitting any claim exceeding The certification shall state as follows: "I certify that the claim is made in good faith; that the supporting data is accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which the Contractor believes Sandia is liable; and that I am duly authorized to certify the claim on behalf of the Contractor." The certification may be executed by any person duly authorized to bind the Contractor with respect to the claim. For Contractor claims of \$100,000 or less, the SCR must, if requested in writing by the Contractor, render a decision within sixty (60) days of the request. For Contractor-certified claims over \$100,000, the SCR must, within sixty (60) days, decide the claim or notify the Contractor of the date by which the decision will be made. The Contracting Officer's decision shall be final unless the Contractor appeals the SCR decision in writing to the SCR.

If the Contractor appeals, the SCR shall have sixty (60) days to reach a mutual agreement with the Contractor on a form of alternate dispute resolution that will be employed. If the parties fail to reach an agreement within the sixty (60) days after

written appeal, the SCR's decision stands unless the Contractor shall commence litigation in a court of competent jurisdiction. The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the SCR pending any final resolution.

### **CN13 - GOVERNMENT PROPERTY MATERIAL AND EQUIPMENT**

Except as provided for in Section I, Contractor must list the government material/equipment Contractor will use in the performance of the Statement of Work (SOW) in this contract and provide details concerning its use. Identification, inspection, maintenance, protection, and disposition of government property shall conform with the policies and principles of FAR Part 45, 48 CFR (DEAR) 945, the Federal Property Management Regulations 41 CFR 101, the DOE Property Management Regulations 41 CFR 109, and DEAR 970.5245-1 Property.

### **CN14 - NOTICE OF POTENTIAL DELAY**

Whenever the Contractor has knowledge of any actual or potential delay or threatened delay in the timely performance of this contract, the Contractor shall immediately give notice thereof, confirmed in writing, including all relevant information with respect thereto, to Sandia. Such notice shall not relieve the Contractor from compliance from of all the requirements of the contract.

### **CN15 - OPERATIONS, DISMANTLED EQUIPMENT AND MATERIAL, UTILITIES AND STORAGE AREAS**

**(a)** Operations. The Contractor shall confine all operations (including storage of materials) on Sandia-controlled premises to areas authorized or approved by the SCR. The Contractor shall hold and save Sandia and the government, their officers and agents, free and harmless from liability of any nature occasioned by the Contractor's performance. **(b)** Storage Areas. Temporary buildings (e.g., storage sheds, shops, offices, sanitation facilities) and utilities may be erected by the Contractor only with the approval of the SCR and shall be built with labor and material furnished by the Contractor without expense to Sandia. The temporary buildings and utilities shall remain the property of the Contractor and shall be removed by the Contractor at its expense upon completion of the work. With the written consent of the SCR, the buildings and utilities may be abandoned and need not be removed. **(c)** Use of Roadways. The Contractor shall, under regulations prescribed by the SCR, use only established roadways, or use temporary roadways constructed by the Contractor when and as authorized by the SCR. The Contractor may close streets and remove signs and other material and structures when authorized by the SCR. The Contractor shall provide and keep in place barricades, signs, markers, flares, and other devices required by the SCR for traffic control and safety. When materials are transported in prosecuting the work, vehicles shall not be loaded beyond the loading capacity recommended by the manufacturer of the vehicle or prescribed by any federal, state, or local law or regulation. When it is necessary to cross curbs or sidewalks, the Contractor shall

protect them from damage. The Contractor shall repair or pay for the repair of any damaged curbs, sidewalks, or roads. **(d) Utilities.** The Contractor shall provide all necessary utilities at the work site unless use of existing utilities at the work site is approved in advance by the SCR. **(e) Dismantled Equipment and Material.** Dismantled equipment and material removed from the work site shall remain the property of the government. If the dismantled equipment and material is not reused in the performance of this contract, the Contractor shall: (i) label or tag large items and package small items; (ii) prepare an inventory in triplicate on Sandia-furnished forms; and (iii) deliver the dismantled equipment and material to a location designated by the SCR. **(f) Clean Up.** The Contractor shall at all times keep the work area, including storage areas, free from accumulations of waste materials. Before completing the work, the Contractor shall remove from the work area and premises any rubbish, tools, scaffolding, equipment, and materials that are not the property of Sandia or the government. If the contract requires the modification of areas within buildings or the movement or relocation of furniture or equipment, the Contractor will vacuum and/or sweep and wet mop the area before moving in furniture or equipment and after the move is complete. Upon completing the work, the Contractor shall leave the work area in a clean, neat, and orderly condition satisfactory to the SCR or the SDR.

#### **CN16- ORDER OF PRECEDENCE**

Any inconsistencies shall be resolved in accordance with the following descending order of precedence:

- (1) Section I;
- (2) SF 6432-CN, Section II
- (3) specifications,
- (4) Construction drawings (descending order of precedence)
  - SNL std detail drawings,
  - A/E supplied Detail Drawing,
  - Schematics
  - Key notes, and
  - General notes),
- (5) incorporated by reference provisions of Section II,
- (6) other documents if any incorporated into this Contract.

#### **CN17 - OTHER CONTRACTS**

Sandia or the government may undertake or award other contracts for additional work at or near the site of the work under this contract. The Contractor shall fully cooperate with the other Contractors and with Sandia or government employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the SCR. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other Contractor or by Sandia or government employees

#### **CN18 – PAYMENT**

Contractor agrees to provide invoices within sixty (60) calendar days of completion of work and hereby waives any amounts that are not invoiced within calendar sixty (60) days of the completion of work on the contract. Unless otherwise provided, terms of payment shall be net calendar thirty (30) days from the latter of (1) receipt of Contractor's proper invoice, if required, or (2) delivery of items/completion of work. Invoices or vouchers requesting payment for item(s) of government property as defined in DEAR 970.5245-1 Property shall be separately listed on such invoices or vouchers. Any offered discount shall be taken if payment is made within the discount period that the Contractor indicates. Payments may be made either by check or electronic funds transfer, at the option of Sandia. Payment shall be deemed to have been made as of the date of mailing or the date on which an electronic funds transfer was made.

### **CN19 - PAYROLLS AND BASIC RECORDS**

**(a)** Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of work and preserved for a period of three (3) years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Whenever the Secretary of Labor has found, under paragraph (d) of the clause entitled Davis-Bacon Act, that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. **(b) (1)** The Contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls, including the payrolls of all subcontractors to the SCR. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under paragraph (a) of this clause. This information must be submitted electronically in accordance with section clause titled Davis Bacon Certified Payroll Submittal.. **(2)** Each payroll submitted shall be accompanied by a "Statement of Compliance," electronically signed by the Contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify: (i) That the payroll for the payroll period contains the information required to be maintained under paragraph (a) of this clause and that such information is correct and complete; (ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate,

either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in the Regulations, 29 CFR Part 3; and (iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract. **(3)** The falsification of any of the certifications in this clause may subject the Contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 3729 of Title 31 of the United States Code. **(c)** The Contractor or subcontractor shall make the records required under paragraph (a) of this clause available for inspection, copying, or transcription by the SCR or authorized representatives of the SCR or the Department of Labor. The Contractor or subcontractor shall permit the SCR or representatives of the SCR or the Department of Labor to interview employees during working hours on the job. If the Contractor or subcontractor fails to submit required records or to make them available, the SCR may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payments. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### **CN20 - PROTECTION OF EXISTING VEGETATION, STRUCTURES, EQUIPMENT, UTILITIES, IMPROVEMENTS, MATERIALS, AND WORK**

**(a)** The Contractor shall preserve and protect all structures, equipment, traffic signs, and vegetation (such as trees, shrubs, and grass) on or adjacent to the work site, which are not to be removed and which do not unreasonably interfere with the work required under this contract. The Contractor shall only remove trees when specifically authorized to do so, and shall avoid damaging vegetation that will remain in place. **(b)** The Contractor shall protect from damage or interruption of service all existing improvements and utilities, including underground property or underground utilities the location of which are properly indicated in the specifications and/or drawings, or the existence of which is otherwise made known to the Contractor by written notice signed by the SCR, or the locations of which should be known by the Contractor, (1) at or near the work site and (2) on adjacent property of a third party. The Contractor shall repair any damage to those facilities, including those that are the property of a third party, resulting from failure to comply with the requirements of this contract or failure to exercise reasonable care in performing the work. If the Contractor fails or refuses to repair the damage promptly, the SCR may have the necessary work performed and charge the cost to the Contractor. **(c)** Contractor shall preserve and protect all work performed under this contract, materials, supplies, and equipment of every description, including property which may be Sandia-furnished or government-owned. **(d)** Contractor immediately shall repair all damage, caused by Contractor's work under this contract, to any utilities, the existence of which (1) is not made known by written notice signed by the SCR, (2) is not indicated in the specifications and/or drawings, or (3) could not reasonably have been known by the Contractor. Contractor shall submit a claim for and enter into good faith negotiations to arrive at a fair price for such repair work. Upon written request of the Contractor, the SCR shall determine the extent that contract

performance was delayed to make the required repairs, and the SCR shall modify the contract performance date accordingly.

#### **CN21 - PERFORMANCE EVALUATION PROGRAM**

In keeping with Sandia's goals of continuous improvement, and promoting and creating an environment for superior Contractor performance, Sandia has established a collaborative feedback process through the Performance Evaluation Program. This program is intended to create an environment, which fosters dialog, provides feedback, and improves communication. Any contract awarded by Sandia is a candidate for evaluation under this program.

**CN22 - PRICING OF CONTRACT AND SUBCONTRACT MODIFICATIONS** The cost principles and procedures set forth in FAR Part 31 as modified by DEAR Part 931 shall be used to price contract and subcontract modifications, if any, whenever cost analysis is performed to negotiate the price of any such modification.

#### **CN23 - RECYCLED AND/OR NEW MATERIALS**

Unless otherwise specified in this contract, all Items delivered shall consist of recycled and/or new materials. New is defined as previously unused which may include residual inventory or unused former government surplus property. Contractor shall give preference to the use of recycled materials as set forth in DEAR 970.5223-2 Affirmative Procurement Program.

#### **CN24 - RELEASES VOID**

Sandia's and the government's representatives shall not be required to waive or release any personal rights in connection with any visits to Contractor's premises and Contractor agrees that no such waiver or release shall be pleaded by Contractor in any action or proceeding.

#### **CN25 - RELEASE OF INFORMATION**

**(a)** No invention, export control or classified information relating to this contract shall be released other than to Contractor's employees or those of Contractor's subcontractors requiring the information for performance of the SOW of this contract without advance written approval of the SCR. In no event shall the interest of Sandia or the DOE/NNSA or the government in this contract be indicated in any advertising or publicity without advance written approval of the SCR. This shall not be construed to prohibit Contractor from fulfilling routine internal or external reporting of its activities, including the disclosure of the existence and nature of this contract as required by law. External reporting as used in this clause refers to reports submitted to state or federal government offices. **(b)** The Contractor shall closely coordinate with the SCR regarding any proposed scientific, technical, or professional publication of the results of the work performed or any data developed under this contract. The Contractor shall provide Sandia an opportunity to review any proposed manuscripts describing, in whole or in

part, the results of the work performed or any data developed under this contract at least forty-five (45) days prior to their submission for publication. Sandia will review the proposed publication and provide comments. A response shall be provided to the Contractor within forty-five (45) days; otherwise, the Contractor may assume that Sandia has no comments. Subject to the security requirements of this contract, the Contractor agrees to address any concerns or issues identified by Sandia prior to submission for publication. **(c)** The Contractor may acknowledge the Contractor and government sponsorship of the work as appropriate. **(d)** The Contractor shall insure that the recipient of any information provided by the Contractor complies with the provisions of this clause.

#### **CN26 - RISK OF LOSS**

If Sandia is responsible for the risk of loss during transportation of compliant items, Sandia shall compensate Contractor the lesser of (1) the agreed price of such items, or (2) the Contractor's cost of replacing such items; and such loss shall entitle the Contractor to an equitable adjustment in delivery schedule obligations.

#### **CN27 - SANDIA PROVIDED INFORMATION**

Any and all physical forms of designs, design data, specifications, technical, scientific data, and other information furnished by Sandia to the Contractor shall remain the property of the government. Any and all such information provided by Sandia to the Contractor shall be used only for the purpose of enabling performance of this contract and the Contractor shall use its best efforts to prevent disclosure to others except when necessary in the performance of this contract

#### **. CN28 – SUBCONTRACTS**

All subcontracts shall be made in the name of the contractor and shall not bind nor purport to bind Sandia or shall not relieve Contractor of any obligation under this purchase order/contract. If Contractor subcontracts any work in the performance of this contract, Contractor shall incorporate into every such subcontract an appropriate set of Sandia Ts&Cs found at: <http://www.sandia.gov/bus-ops/scm/Contractor/Contractor-info.html> or may use for the purchase of commercial items, the latest revision of SF-6432 CI or SF 6432-CS for services

#### **CN29 - SUBSTITUTIONS.**

Written authorization of the SCR is required, for inclusion in the work, of items proposed to be substituted in lieu of those specified or referenced in the contract. When requesting approval, the Contractor shall furnish to the SCR:

- the name of the manufacturer,
- the model number,
- any other information concerning the performance, capacity, nature and rating of the machinery,
- the specifications of any other equipment being substituted.

When directed to do so, the Contractor shall submit samples for approval at the Contractor's expense, with all shipping charges prepaid. Machinery, equipment, material, and articles that do not have the required approval shall be installed or used at the risk of subsequent rejection.

At Sandia's discretion, Sandia may make an equitable adjustment and revise the contract in writing for any increase or decrease in the contractor's cost of, or the time required for the performance of any part of the work under this contract, whether or not changed by any such order, as a result of any substitution,. No proposal by the Contractor for an equitable adjustment, as a result of a substitution shall be allowed if asserted after final payment under this contract.

### **CN30 - Suspect/Counterfeit Items (S/CI)**

Suspect/counterfeit items or services are a serious concern to Sandia because they present a potential threat to personal safety, equipment and system reliability and/or compliance with regulatory environmental standards. Failure of a safety or mission critical system due to an S/CI could also have security implications at DOE facilities. Notwithstanding other warranty provisions of this Contract, Contractor expressly warrants that all items provided under this Contract are suitable for the intended or specified use and that no suspect or suspect counterfeit items, component parts or materials have been furnished or delivered to Sandia under this Contract.

Contractor's warranty also extends to labels and/or trademarks or logos affixed, or designed to be affixed, to items supplied or delivered to the Sandia. In the event that a suspect or suspect counterfeit item, as defined herein, is identified and/or delivered to Sandia, Contractor agrees to comply all requirements stated in this Clause.

### **Definitions**

**Suspect Item:** A suspect item is an item in which there is an indication by visual inspection, testing, or other verifiable information, that the item may not conform to established U.S. Government or industry-accepted specifications and national consensus standards.

**Suspect/Counterfeit Item:** A counterfeit item is an item that is suspected to be a copy or substitute without legal right or authority to do so, or its material, performance,

characteristics or identity do not appear to be authentic and/or is knowingly misrepresented by the supplier, manufacturer or distributor.

Contractor shall only provide items and services that meet or exceed all requirements specified in this Contract including verifiable compliance with all applicable quality, safety and manufacturing standards including all U.S. Government or industry-accepted specifications and national consensus standards. Examples of such standards include, but are not limited to: Underwriter's Laboratory (UL) Listing, National Fire Protection Association (NFPA), Standard of Mechanical Engineers (ASME), Institute of Electrical and Electronics Engineers (IEEE), Occupational Safety and Health Act (OSHA), American Society for Testing Material (ASTM), Nationally Recognized Testing Laboratory (NRTL), etc.

Types of material, parts, and components known to have been misrepresented include (but are not limited to) fasteners, hoisting, rigging, and lifting equipment; cranes, hoists, valves, pipe and fittings, electrical equipment and devices plate, bar, shapes, channel members, and other heat treated materials and structural items, welding rod and electrodes, and computer memory modules. Additional detailed information is available at the Department of Energy (DOE) Training Manual on Suspect/Counterfeit Awareness [http://hss.energy.gov/CSA/CSP/sci/SCI\\_TrainingManual\\_100306\\_rev5.pdf](http://hss.energy.gov/CSA/CSP/sci/SCI_TrainingManual_100306_rev5.pdf).

Contractor is responsible to have a quality assurance program that detects and prevents suspect/counterfeit items from being furnished or used in the performance of work under this Contract. If requested by Sandia, Contractor shall furnish a certificate of compliance with delivery stating that all items fully comply with all requirements of this Contract.

In the event that the Contractor identifies or suspects that a suspect/counterfeit item may have been delivered under this Contract, Contractor shall immediately notify the Sandia Contracting Representative and the Sandia end-user or delegated representative identified in the Contract. Contractor shall document and provide all available information regarding any item or service furnished under this Contract that is suspected to be a suspect/counterfeit item, component, subcomponent part or material. Sandia shall impound the item(s) and notify the local Department of Energy and will comply with all other applicable notification and reporting requirements.

The Contractor may be required to replace such item(s) with item(s) acceptable to Sandia and shall be liable for all costs relating to the impoundment, removal, and replacement of the item(s). Contractor shall indemnify Sandia, its agents, and third parties for any financial loss, injury, or property damage resulting directly or indirectly from material, components, or parts that are not genuine, original, and unused, or not otherwise suitable for the intended purpose. This includes, but is not limited to, materials that are defective, suspect, or counterfeit; materials that have been provided

under false pretenses; and materials or items that are materially altered, damaged, deteriorated, degraded, or result in product failure.

Detection of any suspect or suspect/counterfeit item(s) leading to evidence of deliberate misrepresentation of any supplied item(s), including components, subcomponent parts or materials used in the item(s), may result in an investigation into the validity of certification, fraud, and/or forgery. Because falsification of information or documentation may constitute criminal conduct, the Contractor will notify cognizant Department of Energy officials and the Office of the Inspector General.

**Note: If this Contract provides for the use of credit cards, their use in no way relieves the Contractor from complying with all requirements of this Clause.**

### **CN31 - TAXES**

By reason of Sandia's Nontaxable Transaction Certificate, the Contractor should not incur nor include in the price any state and local taxes. If performance occurs in New Mexico the clauses at DEAR 970.5204-4 New Mexico Gross Receipts and Compensating Tax and FAR 52.229-10 State of New Mexico Gross Receipts and Compensating Tax are applicable. Sandia holds California Contractor's Permit Number OH-98033576. Purchases made under this contract are exempt from California Sales and Use Taxes if performance occurs in California.

### **CN32 - TITLE AND ADMINISTRATION**

All property rights and interests resulting from this contract shall pass directly from the seller to the government.

### **CN33 – TRANSPORTATION**

All transportation shall be "FOB Job Site" unless otherwise specified in this contract. If transportation is specified "FOB Origin," (a) no insurance cost shall be allowed unless authorized in writing and (b) the bill of lading shall indicate that transportation is for DOE/NNSA and the actual total transportation charges paid to the carrier(s) shall be reimbursed by the government pursuant to Contract No. DE-ACO4-94-AL-85000. Confirmation will be made by Sandia National Laboratories.

### **CN34- ADDITIONAL TERMS AND CONDITIONS**

This contract incorporates by reference with the same force and effect as if they were given in full text, the following cited Federal Acquisition Regulation (FAR) clauses and Department of Energy Acquisition Regulation (DEAR) clauses. The full text of these clauses may be found at Title 48 of the Code of Federal Regulations (CFR). Where the FAR/DEAR clauses refer to Government and Contracting Officer, substitute Sandia and Sandia Contracting Representative (SCR). Upon request the SCR will make the full text available. Deviations to clauses can be found at <http://www.sandia.gov/bus-ops/scm/Contractor/Contractor-info.html>

### **CN35 - APPLY TO CONTRACTS AT ANY VALUE**

FAR 52.208-8 Required Sources For Helium Usage Data  
FAR 52.222-1 Notice to the Government of Labor Disputes  
FAR 52.222-26 Equal Opportunity (E.O. 11246)  
FAR 52.225-13 Restrictions on Certain Foreign Purchases  
FAR 52.227-3 Patent Indemnity  
FAR 52.227-23 Rights to Proposal Data (Technical). This clause applies only in any subcontract awarded based on consideration of a technical proposal.  
FAR 52.229-10 State Of New Mexico Gross Receipts and Compensating Tax as modified by DEAR 970.2904-1(a)

FAR 52.242-14 Suspension of Work  
FAR 52.244-6 Subcontracts for Commercial Items  
FAR 52.246-1 Contractor Inspection Requirements  
FAR 52.246-2 Inspection of Supplies - Fixed Price  
FAR 52.246-4 Inspection of Services - Fixed Price  
FAR 52.246-12 Inspection of Construction  
FAR 52.247-63 Preference for U.S. Flag Air Carriers  
FAR 52.249-2 Termination For Convenience for Convenience of the Government (Fixed Price)  
FAR 52.249-10 Default (Fixed-Priced Construction)  
DEAR 952.204-71 Sensitive Foreign Nations Controls  
DEAR 952.211-71 Priorities and Allocations (Atomic Energy). This clause applies only if the cover page designates a government priority.  
DEAR 952.211-71 Priorities and Allocations (Domestic Energy Supplies) Alternate I  
This clause applies only if the cover page designates a government priority.  
DEAR 952.217-70 Acquisition of Real Property  
DEAR 970.5227-7 Royalty Information (Patent Counsel, as used in this clause, means the Patent Attorney, NNSA/DOE, Albuquerque Service Center, P. O. Box 5400, Albuquerque, New Mexico 87185.)  
DEAR 970.227-8 Refund of Royalties  
DEAR 952.247-70 Foreign Travel  
DEAR 952.250-70 Nuclear Hazards Indemnity Agreement (This clause is applicable to any subcontract which may involve the risk of public liability, as that term is defined in the Act and further described in paragraph (d)(2) of the clause. However, this clause is not applicable to contracts in which the contractor is subject to Nuclear Regulatory Commission (NRC) financial protection requirements under section 170b. of the Act or NRC agreements of indemnification under section 170c. or k. of the Act for the activities under this contract)  
970.5204-2 Laws, Regulations, and DOE Directives  
DEAR 970.5223-2 Affirmative Procurement Program  
DEAR 970.5243-1 Changes  
DEAR 970.5208-1 Printing  
DEAR 970.5223-2 Affirmative Procurement Program (Deviation) Applies to contracts for the operation of the facility supply function, construction or remodeling at the facility, or maintenance of the facility motor vehicle fleet.

**CN36 - APPLY TO CONTRACTS EXCEEDING \$2,000**

FAR 52.222-6 Davis Bacon Act

FAR 52.222-7 Withholding of Funds

FAR [52.222-8 -- Payrolls and Basic Records.](#)

FAR [52.222-9 -- Apprentices and Trainees.](#)

FAR 52.222-10, Compliance with Copeland Act Requirements

FAR 52.222-11, Subcontracts (Labor Standards)

FAR 52.222-12, Contract Termination-Debarment

FAR 52.222-13, Compliance with Davis-Bacon and Related Act Regulations

FAR 52.222-14, Disputes Concerning Labor Standards

FAR 52.222-15, Certification of Eligibility

**CN37 - APPLY TO CONTRACTS EXCEEDING \$2,500**

FAR 52.222-41 Service Contract Act of 1965 as Amended

FAR 52.225-1 Buy American Act—Construction Materials

**CN38 - APPLY TO CONTRACTS EXCEEDING \$10,000**

FAR 52.222-20 Walsh Healy Public Contracts Act

FAR 52.222-21 Prohibition of Segregated Facilities

FAR 52.222-26 Equal Opportunity

FAR 52.222-29 Notification of Visa Denial

FAR 52.222-36 Affirmative Action for Workers With Disabilities

**CN39 - APPLY TO CONTRACTS EXCEEDING \$25,000**

FAR 52.209-6 Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment

FAR 52.222-37 Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era

**CN40 - APPLY TO CONTRACTS EXCEEDING \$30,000**

FAR 52.209-6 Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment

**CN41 - APPLY TO CONTRACTS EXCEEDING \$100,000**

FAR 52.203-6 Restrictions on Subcontractor Sales to the Government

FAR 52.203-7 Anti-Kickback Procedures

FAR 52.203-12 Limitation of Payments to Influence Certain Federal Transactions

FAR 52.219-8 Utilization of Small Business Concerns  
FAR 52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation  
FAR 52.222-35 Equal Opportunity For Special Disabled Veterans, Veterans of The Vietnam Era and Other Eligible Veterans  
FAR 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans  
FAR 52.228-15 Performance and Payment Bonds – Construction  
FAR 52.244-5 Competition in Subcontracting  
FAR 52.247-64 Preference for Privately Owned U.S. Flag Commercial Vessels  
DEAR 952.209-8 Organizational Conflicts of Interest-Disclosure  
DEAR 952.209-72 Organizational Conflicts of Interest. It is the responsibility of Contractor to determine if this clause is applicable and to report any potential conflicts to the SCR under DEAR 952.209-8.  
DEAR 970.5227-4 Authorization and Consent  
DEAR 970.5227-5 Notice of Assistance Regarding Patent and Copyright Infringement

**CN42 - APPLY TO CONTRACTS EXCEEDING \$500,000**

FAR Limitations on Subcontracting (applicable only if any portion of the contract is set-aside)  
FAR 52.230-2 Cost Accounting Standards  
FAR 52.230-6 Administration of Cost Accounting Standards  
**Compliance with Cost Accounting Standards.**  
In accordance with DEAR 970.5204-92 Liability With Respect To Cost Accounting Standards the Contractor shall be liable to the government for increased costs or interest resulting from the subcontractor's failure to comply with the clauses at FAR 52.230-2, "Cost Accounting Standards," and FAR 52.230-6, "Administration of Cost Accounting Standards".  
DEAR 952.226-74 Displaced Employee Hiring Preference  
DEAR 970.5226-2 Workforce Restructuring under Section 3161 of the National Defense Authorization Act for Fiscal Year 1993

**CN43 - APPLY TO CONTRACTS EXCEEDING \$550,000**

FAR 52.215-15 Pension Adjustments and Asset Reversions  
DEAR 970.5204-24 Contractor/subcontractor Certified Cost or Pricing Data

**CN44 - APPLY TO CONTRACTS EXCEEDING \$1,000,000 Awarded to Large Business**

FAR 52.219-9 Small Business Subcontracting Plan  
FAR 52.219-14 Limitations on Subcontracting  
FAR 52.219-16 Liquidated Damages - Subcontracting Plan

**CN45 - APPLY TO ALL CONTRACTS THAT MAY INVOLVE ACCESS TO**

**CLASSIFIED INFORMATION**

DEAR 952.204-2 Security

DEAR 952.204-70 Classification/Declassification

DEAR 970.5204-1 Counterintelligence

**CN46 - APPLY TO ALL CONTRACTS WHICH INCLUDE ANY EXPERIMENTAL, RESEARCH, DEVELOPMENTAL, OR DEMONSTRATION WORK**

FAR 52.227-14 Rights in Data-General is modified in accordance with DEAR 927.409(a) and including Alternate V.

FAR 52.227-16 Additional Data Requirements

FAR 52.246-7 Inspection of Research and Development - Fixed Price

DEAR 952.227-11 Patent Rights, Retention by the Contractor (short form) (This clause is to be used in all contracts in which the Contractor is a domestic small business or nonprofit organization as defined at FAR, 48 CFR 27.301).

DEAR 952.227-13 Patent Rights Acquisition by the government (This clause shall be used in all other contracts).

DEAR 970.5227-2 Rights in Data Technology Transfer

DEAR 970.5227-12 Patent Rights Management and Operating Contracts, For-Profit Contractor, Advance Class Waiver Alt 1

DEAR 970.5227-1 Rights in Data-Facilities. This clause is included in subcontracts for related support services, involving the design or operation of any plants or facilities or specially designed equipment for such plants or facilities that are managed or operated under an M&O contract under 48 CFR 970 with DOE/NNSA.

**CN47 - APPLIES TO ANY WORK PERFORMED ON A GOVERNMENT SITE UNDER THIS CONTRACT**

DEAR 952.203-70 Whistleblower Protection For Contractor Employees

DEAR 970.5223-1 Integration of Environment, Safety, and Health into Work Planning and Execution

DEAR 970.5204-26 Nuclear Facility Safety

DEAR 970.5223-4 Workplace Substance Abuse Programs at DOE Sites

**CLAUSES CN48 THROUGH CN57 APPLY TO ALL CONTRACTS WHERE ANY WORK WILL BE PERFORMED ON A GOVERNMENT SITE****CN48 - CITIZENSHIP STATUS**

All personnel of the Contractor and its subcontractors who require access must be United States citizens, or foreign nationals who are legal aliens or have the required

authorization to perform work in the United States and must meet rules of the site for access to the work areas in place at the time of performance of this contract.

#### **CN49 - CONTRACTOR OR SUBCONTRACTOR USE OF GOVERNMENT-OWNED VEHICLES**

The following provisions apply if work under this contract requires Contractor or subcontractor personnel to operate government-owned vehicles either on or off government sites. Contractor shall maintain, at Contractor's expense, during the period of performance of work under this contract, third-party vehicle liability insurance which shall cover the use of such government-owned vehicles with limits of at least \$200,000/\$500,000 public liability and \$20,000 property damage. Medical payments coverage, comprehensive and collision insurance, uninsured motorist, and personal injury protection will not be required under this clause unless required by state statute. All Contractor's agents, employees and subcontractors of any tier shall obey all rules and regulations pertaining to the use of government-owned vehicles. In the event of a motor vehicle accident, the Contractor shall submit a completed Motor Vehicle Accident Reporting Form SF 91 to the SCR together with any additional supplemental forms required by instructions given on the General Services Agreement (GSA) Form Packet 1627. A GSA Form Packet 1627 normally is located either in the headliner or glove box of the GSA vehicle. Contractor's personnel shall assure that a GSA Form Packet 1627 is available in a GSA vehicle prior to accepting and driving a GSA vehicle.

#### **CN50- ENVIRONMENTAL SAFETY AND HEALTH (ES&H) REQUIREMENTS (a) Service Providers**

Sandia-directed work, Sandia shall provide those workers with any and all necessary safety authorization documents, personal protective equipment, industrial hygiene monitoring, medical surveillance, and radiation protection services. For Contractor employees performing Contractor-directed work, Contractor shall provide its workers with all ES&H services, with the exception of Contractor employees performing Contractor-directed work on government sites for whom Sandia shall provide radiation dosimetry services and survey of record, as appropriate.

**(b) Training Requirements.** Any Contractor personnel who will enter a government site to perform work shall have completed all of the ES&H training required by the SOW prior to any attempts to enter a government site as shown by written records of such training furnished to the SDR or to the Requester if no SDR is named in Section I of this contract. Contractor shall certify to Sandia completion of all required training on the Completion Record for Contractor Administered Training form. This Form is located on the Web at <http://www.sandia.gov/bus-ops/scm/Contractor/Contractor-info.html> or obtained from the SDR. Contractor shall provide the completion record form for the initial ESH100 training to the SDR on the first day of work. Contractor shall provide the completion records for any other training required above to the SDR before starting the affected work activity. Any person not having completed all ES&H training requirements may be denied access to any government site and Contractor may be terminated for default of this contract as well as every other contract the contractor has with Sandia.

## **CN51 - HAZARDOUS MATERIALS**

**(a) Handling Requirements.** For contracts that require the performance of work on government sites, the Contractor shall coordinate with the SDR all activities associated with the acquisition (including reporting hazardous materials used on government sites), handling, storage, accidental spills, and/or disposal of hazardous materials and/or waste. The Contractor shall notify the SDR of all hazardous and/or radioactive waste generated during performance of work. Such materials become Sandia-owned waste and the Contractor shall notify the SDR for proper disposal by Sandia. Contractor's assistance in disposal may be required by Sandia. **(b) Removal Requirements.** Those hazardous materials brought onto Sandia-controlled premises by the Contractor which are job-related consumables and have not been removed from their original packaging and which have not been purchased by Sandia, shall remain the property of the Contractor and shall be removed from Sandia after completion of the work. Hazardous materials in the original, labeled container are not hazardous waste if the material is usable and the full or partially full container is intact and properly closed. Those scrap items which are not hazardous and which have not become hazardous through co-mingling with hazardous items are owned by the Contractor and shall also be removed.

## **CN52 - PROTECTION OF GOVERNMENT PROPERTY**

All Sandia National Laboratories information, information technologies and information systems are United States government property. Please read the notice at: <http://www.sandia.gov/bus-ops/scm/Contractor/Contractor-info.html> All facilities, personal property, existing vegetation, structures, equipment, utilities, improvements, materials and work at Sandia National Laboratories are United States government property. Acts of theft, improper use and/or unlawful destruction of United States government property are punishable under one or more Federal Criminal Laws.

## **CN53 - REQUIREMENTS FOR ACCESS**

**(a) Government Sites.** Permission to enter government sites shall at all times be subject to all laws, regulations, and site access policies for the site (including but not limited to all ES&H and Security requirements). The government requirements include but are not limited to, all of the requirements set forth in this section for any work to be performed on a government site. To obtain access to such premises, the Contractor shall write a letter to the SDR or the SCR stating the company designation to be used by the Contractor and each subcontractor and furnishing the following information on each individual requiring access to such premises: name, date of birth, and citizenship status, completed ES&H training requirements set forth in the SOW. Access will be granted for the period of performance of the work only. Contractor shall withdraw and replace any individual, including any subcontractor employee, assigned to perform work under this contract, who in the judgment of Sandia or DOE/NNSA, is to be denied access to any government site. Contractor shall submit to the SDR or the SCR proposed working schedules for its personnel and the personnel of each of its subcontractors. The schedules will show proposed daily working hours and proposed

work weeks. Schedules that deviate from Sandia's normal work day or work week must be approved by the responsible SDR. In the absence of a written authorization from the SCR or DOE/NNSA, use of government sites by the Contractor and its subcontractors of any tier, pursuant to access granted under this clause, shall be limited to work required by this contract to be performed on such premises. **THE USE OF THE ACCESS PRIVILEGE FOR ANY PURPOSE OTHER THAN TO PERFORM WORK UNDER THIS CONTRACT IS PROHIBITED AND MAY BE GROUNDS FOR TERMINATING THIS CONTRACT FOR DEFAULT OR FOR FINDING THAT AN INDIVIDUAL IS UNACCEPTABLE FOR FUTURE ACCESS. (b) Control and Removal of Contractor Employees Working on Site** (1) The Contractor shall be responsible for maintaining satisfactory standards of employee competency, conduct, integrity, and compliance with contract requirements including site-specific requirements (i.e. ES&H, Security, etc.) for its employees. Should the SCR or SDR determine that an employee of the contractor or its lower-tier subcontractors fails to meet any of these standards, the Contractor shall immediately remove such person from the work site, and that person shall not again, without written permission of the SCR, be allowed back on the work site. (2) Sandia, in its sole discretion, may temporarily or permanently bar from the work site or any Sandia controlled premises any employee of the Contractor or its lower-tier subcontractors who does not work in a safe and secure manner, as demonstrated either by repeated violations or a single serious violation of safety or security requirements applicable to the contract. (3) The contractor will not be compensated for any costs resulting from its removal of employees from the work site or from Sandia barring an employee from the work site and any Sandia controlled premises. (4) The contractor shall include this clause, in its entirety in all lower-tier subcontracts which require work to be performed at Sandia controlled premises. **(c)** Contractor will ensure that its personnel assigned to work on Sandia's or Customer's premises comply with any on-premises requirements and shall:

- 1) not bring weapons of any kind onto Sandia's or Customer's premises;
- 2) not manufacture, sell, distribute, possess, use or be under the influence of controlled substances or alcoholic beverages while on Sandia's or Customer's premises;
- 3) not possess hazardous materials of any kind on Sandia's or Customer's premises without Sandia's authorization;
- 4) remain in authorized areas only;
- 5) not conduct any non-Sandia related business activities (such as interviews, hires, dismissals or personal solicitations) on Sandia's or Customer's premises;
- 6) not send or receive non-Sandia related mail through Sandia's or Customer's mail systems; and
- 7) not sell, advertise or market any products or memberships, distribute printed, written or graphic materials on Sandia's or Customer's premises without Sandia's written permission or as permitted by law.

**(e(d)** All persons, property, and vehicles entering or leaving Sandia's or Customer's premises are subject to search.) **Sandia Sites.** The organizations listed below are responsible for coordinating and administering the provisions of visitor access and control for the sites as listed. Sandia National Laboratories, Albuquerque, New Mexico - Visitor Access and Administration Section, Sandia Corporation, Building 800. Sandia National Laboratories, Livermore, California - Visitor Control and Administration Section, Sandia Corporation, Building 911. Tonopah Test Range, Tonopah, Nevada - Office of the Tonopah Test Range Manager.

#### **CN54 - TERMINATION OR REASSIGNMENT OF PERSONNEL**

The Contractor shall (i) notify immediately the SCR and the Sandia Badge Office at Albuquerque (Sandia Physical Security Division at Livermore; Tonopah Test Range Manager at Tonopah) if any Contractor employees assigned to work under this contract are terminated for any reason or are assigned to other Contractor non-Sandia work and will not work under this contract in the future, and (ii) ensure that any Contractor employees identified under this paragraph surrender to the Badge Office (Sandia Physical Security Division at Livermore; Tonopah Test Range Manager at Tonopah) any Sandia badge, Kirtland Air Force Base decals or other access documents within five (2) days of termination or reassignment.

#### **CN55 - VEHICLE INSURANCE**

All vehicles, owned or operated by the Contractor, subcontractors or their agents and employees, having access to government sites shall be covered by at least \$200,000/\$500,000 public liability and \$20,000 property damage insurance.

#### **CN56 - VEHICLE MARKINGS**

All vehicles used by either the Contractor or its subcontractors shall be marked clearly to indicate company name of user. Vehicles which do not bear permanent markings may be temporarily marked as follows: (1) Signs, no longer than the vehicle door is wide, with a white or lighter background, showing the Contractor's name in one inch high, or larger, dark colored letters, may be made from sheet metal, cardboard or other suitable material and temporarily attached to the vehicle's front door panels so that the signs appear in the approximate center of each door panel. Words such as "Company," "Corporation" or "Division" may be abbreviated. (2) No signs shall be attached to the vehicle's glass area for safety reasons.

#### **CN57 WARRANTY OF CONSTRUCTION**

(a) In addition to any other warranties in this contract, the Contractor warrants, except as provided in paragraph (j) of this clause, that work performed under this contract conforms to the contract requirements and is free of any defect in equipment, material, or design furnished, or workmanship performed by the Contractor or any subcontractor or supplier at any tier.

(b) This warranty shall continue for a period of 1 year from date of final acceptance of the work. If Sandia or the Government takes possession of any part of the work before

final acceptance, this warranty shall continue for a period of 1 year from the date Sandia takes possession.

(c) The Contractor shall remedy at the Contractor's expense any failure to conform, or any defect. In addition, the Contractor shall remedy at the personal property, when that damage is the result of:

- (1) The Contractor's failure to conform to contract requirements; or
- (2) Any defect of equipment, material, workmanship, or design furnished.

(d) The Contractor shall restore any work damaged in fulfilling the terms and conditions of this clause. The Contractor's warranty with respect to work repaired or replaced will run for 1 year from the date of repair or replacement.

(e) Sandia shall notify the Contractor, in writing, within a reasonable time after the discovery of any failure, defect, or damage.

(f) If the Contractor fails to remedy any failure, defect, or damage within a reasonable time after receipt of notice, Sandia shall have the right to replace, repair, or otherwise remedy the failure, defect, or damage at the Contractor's expense.

(g) With respect to all warranties, express or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished under this contract, the Contractor shall:

- (1) Obtain all warranties that would be given in normal commercial practice;
- (2) Require all warranties to be executed, in writing, for the benefit of the Government, if directed by Sandia; and
- (3) Enforce all warranties for the benefit of the Government, if directed by Sandia.

(h) In the event the Contractor's warranty under paragraph (b) of this clause has expired, the Government or Sandia may bring suit at its expense to enforce a subcontractor's, manufacturer's, or supplier's warranty.

(i) Unless a defect is caused by the negligence of the Contractor or subcontractor or supplier at any tier, the Contractor shall not be liable for the repair of any defects of material or design furnished by Sandia nor for the repair of any damage that results from any defect in Government-furnished material or design.

(j) This warranty shall not limit Sandia's rights under the "Inspection and Acceptance" clause of this contract with respect to latent defects, gross mistakes, or fraud.

(k) Defects in design or manufacture of equipment specified by Sandia on a "brand name and model" basis, shall not be included in this warranty. In this event, the Contractor shall require any subcontractors, manufacturers, or suppliers thereof to execute their warranties, in writing, directly to Sandia.